




EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

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MEMORANDUM FOR CHIEF FINANCIAL OFFICERS

FROM: Linda M. Combs, Controller 

SUBJECT: Common Government-wide Accounting Classification (CGAC) Structure

The Financial Management Line of Business (FMLoB) is one of the President's top management priorities to achieve government-wide cost and quality improvements in financial management. In support of the FMLoB initiative, I am pleased to announce the publication of the Common Government-wide Accounting Classification (CGAC) structure being issued by the Financial Systems Integration Office (FSIO). The CGAC structure supports the FMLoB vision to improve the cost, quality, and performance of financial management systems by standardizing business processes, interfaces, and data. With the adoption of the CGAC structure, agency systems will be better able to capture and report financial information in a consistent manner.

The CGAC structure establishes a standard method for classifying the financial effects of government business activities and moves the Federal government closer to a single standard by:

- Identifying the classification elements;
- Establishing standard names, definitions, and formats for the elements; and
- Aligning the values of similar codes used by the Office of Management and Budget (OMB) and the Department of the Treasury.

At this time, the financial management community is encouraged to begin the path to adoption by taking the following steps:

- Gain an understanding of the CGAC structure, and begin to adopt standard terminology and definitions;
- Identify and inventory the systems which will be affected by the CGAC structure;
- Begin analyzing the gap between existing accounting classification structures and the CGAC structure; and
- For system implementation projects (in process) that have not yet finalized the classification structure, use the CGAC structure as a framework to the extent possible.

This fall, FSIO will release a CGAC sequencing plan. At that time, your agency will begin to work with staff from OMB's Office of Federal Financial Management to develop your agency's implementation plan.

I am proud of this significant achievement that was made possible through collaboration and dedication across the Federal financial management community. Both OMB and FSIO look forward to continued collaboration with the Federal financial management community to fulfill the vision and goals of this initiative.

Copies of this document are available on the FSIO web site, www.fsio.gov. For more information, please contact Ms. Kim Farington from my staff, at kfarington@omb.eop.gov, or 202-395-3993.